

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**
Case No.: 1:23-cv-20727-RKA

RYAN BRESLOW, et al.,

Plaintiffs,

v.

MARK PHILLIPS, et al.,

Defendants.

DECLARATION OF BENJAMIN REED

I, Benjamin Reed, make the following declaration:

1. I am a Defendant in this Action, am over the age of 18, and am competent to testify in this matter. I have personal knowledge of the matters stated herein.
2. Mark Phillips recruited me to be in charge of MovementDAO governance.
3. I have never claimed or understood MovementDAO to have a beta or soft launch, or anything than a full and complete launch on February 2, 2022. I worked with the Law Firm of Reed Yurchak (“Law Firm”) to ensure MovementDAO was operating legally.
4. In August 2022, MovementDAO also adopted a set of Guiding Principles, Terms of Service, and Code of Conduct through MIPs—which were approved by Plaintiffs. This led to MovementDAO being categorized as a Delaware unincorporated nonprofit association (MIP-0000). The Law Firm obtained an EIN from the IRS for MovementDAO. MIP-0004 and MIP-0007 specifically identified the Law Firm as a Service Provider, and authorized MovementDAO to indemnify Mr. Phillips, myself, and Mr. Gordon—Mr. Gordon signed off on those MIPs.

MovementDAO also adopted a set of Guiding Principles, Terms of Service, and Code of Conduct through MIP-0000—which were approved by Plaintiffs. **Upon their adoption, MovementDAO’s** relationship with its members or contributors was governed by, *inter alia*, the GitBook, Guiding **Principles, Terms of Service, and Code of Conduct (collectively, the “Governing Documents”)**. True and correct copies of these documents are attached to the Declaration of Mark Phillips.

5. Mr. Gordon indicated his approval of MIPs 0000, 0001, 0002, 0004, 0005, 0006, 0007, and 0008 by voting for them on Snapshot.

6. MIP-0004 authorized MovementDAO to form DAOLabs LLC. DAOLabs was intended to serve, *inter alia*, **MovementDAO’s real world needs, including operating bank** accounts, credit cards, making payments, traditional investments, loans, and holding assets. The Law Firm helped form DAOLabs LLC, and I have **always been DAOLabs LLC’s only member** and governor. Generally, I helped oversee business functions, including working with the Law Firm, for both MovementDAO and DAOLabs LLC.

7. On March 24, 2022, Mr. Fine announced that the PeaceDAO, a DAO formed by MovementDAO, and dedicated to funding projects relating to Ukrainian humanitarian aid, would be launching that day. **PeaceDAO’s treasury** automatically paid a fee (also referred to as a “tribute”) to MovementDAO for services provided.

8. The Law Firm helped form DAOLabs LLC. Attached hereto as **Exhibit 29** is a true and correct copy of the State of Washington, Office of the Secretary of State, Corporations & Charities Division, Corporation Search Report for DAOLabs, LLC. The report lists me as the Governor of DAOLabs LLC, and Mr. Yurchak as the Registered Agent. It confirms that DAOLabs LLC was formed on August 1, 2022.

9. As recently as October 2022, I worked with the Law Firm to review DAOLabs LLC's technology licensing, indemnity, and loan agreements. A true and correct copy of an October 11, 2022 email thread between me and the Law Firm, concerning agreements for DAOLabs LLC, is attached hereto as **Exhibit 30**.

10. On or about January 11, 2022, I entered into a retainer agreement with the Law Firm. Attached hereto as **Exhibit 31** is a true and correct copy of the agreement.

11. On or about October 1, 2022, Mr. Phillips advised me about his concerns related to a redemption by a founding contributor would violate the fundamental terms governing MovementDAO as set forth in the GitBook, as well as assurances Plaintiffs made to Mr. Phillips.

12. I was part of an emergency committee ("the Committee"), which consisted of a representative group of MovementDAO stakeholders, including internal developers, large contributors, small contributors, and independent members of the community, convened by Mr. Phillips after Mr. Breslow informed him that he only approved of Messrs. Phillips' and Gordon's salaries through January 31, 2023

13. The Committee held meetings on January 9, 13, and 26, 2023, and in each instance, recorded its business with official minutes. The Committee made recommendations regarding MovementDAO's continued operations, governance and budget, discussing items such as the problems posed by Plaintiffs' attempted rug pull; the importance of maintaining community governance; the appointment of the Committee along with Defendants as MovementDAO's Service Provider; the indemnification of the Authorized Members and Service Provider; continued funding of MovementDAO's operations; and the removal of Plaintiffs as members of MovementDAO due to their violations of the Terms of Service and Code of Conduct. Attached

hereto as **Exhibits 32, 33, and 34** are true and correct copies of the Committee meeting minutes from January 9, 13, and 26, 2023.

14. On or about January 31, 2023, proposed, and the community adopted, proposals to carry out the Committee's recommendations, including MIP-0014, MIP-0015, and MIP-0016, which, respectively, adjusted the keys associated with MovementDAO's Gnosis to add all Authorized Members and removed Plaintiffs' voting rights; ratified the termination of Plaintiffs from MovementDAO; and updated MovementDAO's Snapshot to reflect Plaintiffs' termination. Attached hereto as **Exhibits 35, 36, and 37** are true and correct copies of MIP-0014, MIP-0015, and MIP-0016.

15. I also proposed, and the community adopted, the following finance-related MIPs:

- MIP-0017, which authorized itemized payouts for MovementDAO's development expenses in December 2022 and January 2023. These expenses included development-related expenses I and Mr. Phillips had placed on their credit cards, and the \$25,000 retainer Venable required.
- MIP-0018, which authorized deferred payouts due to MovementDAO developers for 2022.
- MIP-0019, which authorized the transfer of deferred fees owed to the Law Firm (of which the Law Firm later refused payment) in escrow pending the retention of a new service provider.
- MIP-0020, which authorized the transfer of 2,558,831 to the Movement Developer Gnosis for the dispersal to Authorized Members for payment of legal fees and indemnification expenses (indemnification as originally authorized

under MIP-0004 by Mr. Gordon) and \$58,831 of deferred legal fees incurred by dao-lawfirm.eth in 2022.

- MIP-0021, which authorized the transfer of 5,354,433 DAI to the Developer **Gnosis for Movement's 2023 budget.**

Attached hereto as **Exhibits 38, 39, 40, 41, and 42** are true and correct copies of MIP-0017, MIP-0018, MIP-0019, MIP-0020, and MIP-0021.

16. Pursuant to MIP-0018, I received 322,034.67 DAI to make a deferred payout to Mr. Radin/disintermediated.eth.

17. On or about February 2, 2023, transfers were done for a legitimate business purpose and with proper authority:

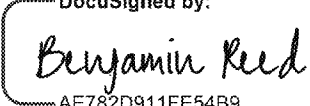
- 7,500,000 DAI and 805 ETH from the Movement Gnosis to the Movement **Developer Gnosis for the funding of MovementDAO's continued development and operations in accordance with the Authorized Member's authority under MIP-0016.**
- 20,000 DAI to cookieslayer.eth (Evita Stenqvist, a Senior Developer) as a deferred payout pursuant to MIP-0018.
- 100,000 DAI to dsintermedatd.eth (Mikhail Radin, a Senior Developer) as a deferred payout pursuant to MIP-0018.
- 15,000 DAI to cookieslayer.eth/Ms. Stenqvist as a deferred payout pursuant to MIP-0018.
- 592,000 DAI to myself as an advance for indemnification expenses (500,000) along with past due salary from December 2022 and January 2023 and a four-

month advance on his salary (92,000) in accordance with MIP-0004, MIP-0017 and MIP-0020.

- f. 250,000 DAI to myself for anticipated operational expenses under MIP-0021 (Movement's 2023 Operational Budget).
- g. 500,000 DAI to Mr. Phillips as indemnification for the individuals and entities comprising the Service Provider under MIP-0004 and MIP-0020.
- h. 39.53 ETH for Mr. Gordon's December 2022 salary (13.39 ETH) and reimbursement to Mr. Phillips for expenses (26.14 ETH) under MIP-0017.
- i. 50,000 DAI as a four-month salary advance for Sameer T, (Sameer Tariq, a Typescript developer) under MIP-0020.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 17, 2023

DocuSigned by:

AE782D911FE54B9
Benjamin Reed